Co-operation in Practice – Social Enterprise

In 2012 the Co-operative Federation of Victoria Ltd (Co-operatives Victoria), the Co-operative College in the UK and the SouthEast Housing Co-operative Ltd co-produced a series of short films on Co-operation in Practice featuring the then Chief Executive Officer and Principal of the Co-operative College Mervyn Wilson – Directors, Education, Governance, International, Members, Principles, Social Enterprises and Values. Filming was undertaken by Trade Creative. For each film the Co-operative College prepared a transcript.

Originally published on australia.coop and sehc.org.au: 28 November 2012

One of the real strengths of co-operatives is the fact that back in 1995 the International Co-operative Alliance agreed what is known as the Statement on the Co-operative Identity. It gave a really clear definition of what a co-operative was, what its values were and what the principles through which those values are put into practice are, and how they are shared across the world. And we often say that if you look at any co-operative, you should be able to judge them by looking at how those values and principles are put into practice in everyday life. In recent years in the UK there has been a big discussion and a lot of interest in the concept of social enterprise.

People often ask where do co-operatives, traditional mutuals and other forms of association fit within that? And the answer really is that no one is quite sure because there has been ambiguity and a lack of clarity around that debate. When our social enterprise strategy was launched by the previous Government, it talked about businesses with social as well as commercial objectives, that is, they weren't pure charities, they also had wider social objectives. Now that's interesting because of the, if you like, breadth of that definition that does cause some difficulties and challenges. They don't for example share those common definitions, so some of those organisations can be democratically controlled which is really important to us, but others need not be. Often they are set up by what you could describe as a modern version of the enlightened philanthropist are the charities by definition of government by trustees that may well not be democratic, so there is a of plurality of forms. But I will give you another example of why this often causes confusion. We have done a lot of work in the UK developing new co-operative models for schools as part of the response to education sector reform. There was a publication by a think tank a couple of weeks ago called Social Enterprise Schools. It advocates that schools should be run by new social enterprises, but that fifty per cent of the profits could be returned to their shareholders and fifty per cent could be used for wider social purposes. In plain words they are using the language of social enterprise to be an advocate of the privatisation of the education system and saying it should be able to be run on a for profit basis. These are where the terms become quite difficult for us because we have positioned co-operatives as being about genuine community owned, community controlled organisations, rather than what I think we are in danger of doing and that is using some of this language as a veneer to give respectability to some of these less acceptable forms of enterprise that we're seeing. So to me one of the difficulties about the term social enterprise is the breadth that it covers from some absolutely wonderful and outstanding examples to ones where the language is being used to cover up for things that I don't think we would find quite so acceptable.

Film available at CoOperationdg
https://www.youtube.com/channel/UCvnVDdQMYk112jAgJ-pvfFA